

# NCUA LETTER TO CREDIT UNIONS

NATIONAL CREDIT UNION ADMINISTRATION  
1775 Duke Street, Alexandria, VA 22314

**DATE:** April 2014 **LETTER NO.:** 14-CU-06  
**TO:** Federally Insured Credit Unions  
**SUBJ:** Taxi Medallion Lending  
**ENCL:** Supervisory Letter — Taxi Medallion Lending

Dear Board of Directors and Chief Executive Officer:

NCUA has developed the enclosed Supervisory Letter to provide examiners with guidance on evaluating credit unions engaged in taxi medallion lending. **If your credit union makes taxi medallion secured loans, participates in these loans, or is contemplating doing so, you should review the enclosed guidance.**

Taxi medallion lending is a valuable member service provided by certain credit unions with expertise in this form of member business lending which entails some unique risks. Recently, market forces have contributed to a significant increase in medallion values in several major metropolitan markets. As a result, **credit unions that offer or participate in these loans can be exposed to increased risk.**

The enclosed guidance will ensure NCUA continues to take a consistent approach to supervising credit unions engaged in taxi medallion lending. In addition, the guidance provides information that will help credit unions manage the unique risks associated with taxi medallion loans.

I encourage you to review the attached letter to ensure your lending practices align with NCUA's risk management expectations.

Please contact your regional office or state supervisory authority with any questions on this subject.

Sincerely,

/s/

Debbie Matz  
Chairman

Enclosure